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## SBA Expo '05

SBA Expo '05, SBA's national Small Business Week celebration will be held at the Hilton Washington in Washington, D.C. from April 26 – April 28, 2005. Expo 2005 will showcase Small Business Person of the Year award winners from each state and will also feature special events that include a small business expo, a business matchmaking event, business seminars, a town hall meeting and award ceremonies honoring America's top entrepreneurs and state and national small business winners. Other highlights will include speakers and business industry leaders from trade associations, and local and federal governments. Go to <http://www.sba.gov/expo/index.html> for detailed information and a registration form.

**SBA in Massachusetts will honor our local winners on June 10, 2005 at the Beechwood Hotel in Worcester.** For more information on SBA Expo 2005, go to [www.sba.gov/expo](http://www.sba.gov/expo). For information on the Massachusetts' awards luncheon, contact Christine Carter at 617-565-5560 or [christine.carter@sba.gov](mailto:christine.carter@sba.gov).

## Fiscally Responsible SBA 2006 Budget Provides Record Capital for Small Businesses

SBA's fiscal year 2006 budget request of \$593 million provides a record \$22 billion in loan authority for the agency's flagship lending programs.

On the technical assistance side, the budget requests \$88 million for Small Business Development Centers, \$12 million for Women's Business Centers and \$5 million for SCORE, Counselors to America's Small Businesses.

As in 2005, the 7(a) Loan Guaranty program will be at a zero subsidy, meaning that the program is sustained entirely by modest fees paid by the lenders and borrowers, without requiring an appropriation of taxpayer funds. Highlights of the proposed 2006 SBA budget include:

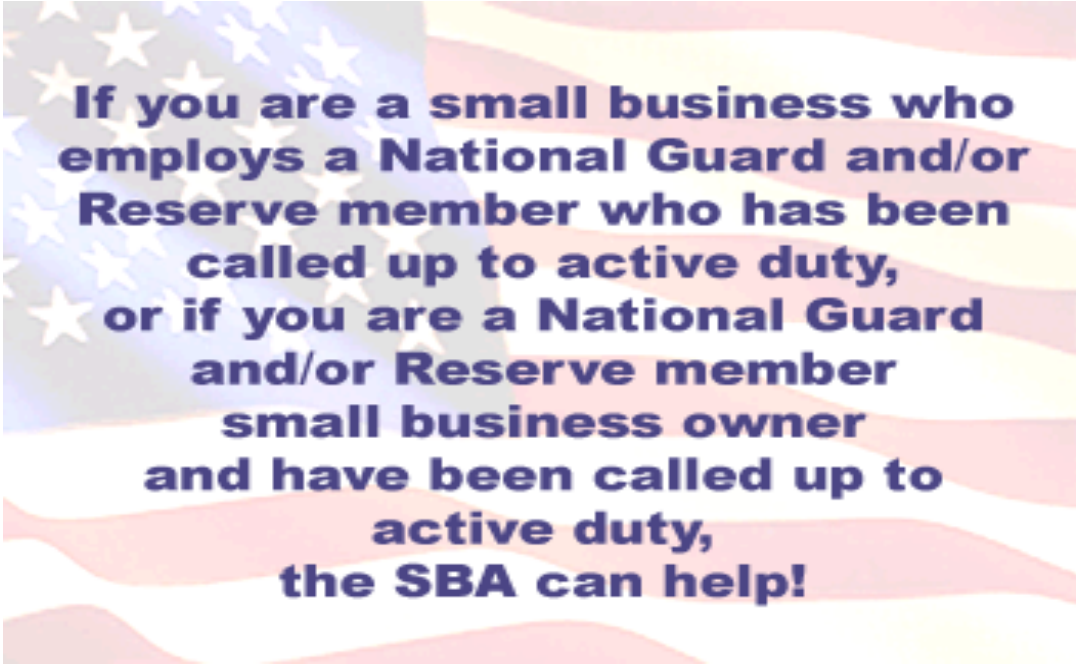
- \$16.5 billion in lending authority for the 7(a) Loan Guaranty program;
- \$5.5 billion in lending authority for the 504 Certified Development Company program with a zero subsidy;
- \$3 billion program level for the SBIC debenture program with a zero subsidy;
- \$810 million in lending authority for the Disaster Loan Program;
- \$1.3 million for the Office of Advocacy research;
- \$750,000 for the National Women's Business Council;
- \$750,000 for Veteran's outreach;
- \$1 million for the Drug Free Workplace program.

**SBA Workshops at the Massachusetts SBA Office at 10 Causeway Street, Room 265, Boston, MA**

**3/9:**  
**Matchmaker/HUBZone Program updates.**  
7:30 a.m. registration;  
8:00 – 9:30 a.m. HUBZone updates from Mike McHale, SBA Associate Administrator for the HUBZone program;  
10:30 a.m. – 1:00 p.m. One-on-One Government contracting matchmaking opportunities with federal agencies and prime contractors.  
To register, contact Anna Outerbridge at 617-565-8510 or at [nna.outerbridge@sba.gov](mailto:nna.outerbridge@sba.gov).

**Overview of SBA's 8(a) Business Development Program**  
3/30 - 10:00- 11 a.m.  
*Socially and economically disadvantaged firms can learn about 8(a) program benefits and application procedures, how to gain a preference for federal contracts, and how to access sole source contract. Contact Anna Outerbridge at 617-565-8510.*

Go to: [www.sba.gov/ma/](http://www.sba.gov/ma/) click on "Training Calendar" for a complete listing of training opportunities and instructions about how to attend via SBA's teleconferencing system.



**If you are a small business who employs a National Guard and/or Reserve member who has been called up to active duty, or if you are a National Guard and/or Reserve member small business owner and have been called up to active duty, the SBA can help!**

### **Military Reservist Economic Injury Disaster Loan**

Small businesses that are owned by military reservists, both **National Guard** and **Reserve members**, and/or small businesses that employ military reservists called to active duty may qualify for *Military Reservist Economic Injury Disaster Loans (MREIDL)*.

The purpose of the **MREIDL** program is to provide funds to eligible small businesses to meet its ordinary and necessary operating expenses that it could have met, but is unable to meet, because an essential employee was "called-up" to active duty in their role as a military reservist. These loans are intended only to provide the amount of working capital needed by a small business to pay its necessary obligations as they mature until operations return to normal after the essential employee is released from active military duty. The loans cannot be used to cover lost income or lost profits. MREIDL funds cannot be used to take the place of regular commercial debt, to refinance long-term debt or expand the business.

[http://www.sba.gov/disaster\\_recov/loaninfo/militaryreservist.html](http://www.sba.gov/disaster_recov/loaninfo/militaryreservist.html)

### **Advisory Committee on Veterans Business Affairs Submits Second Annual Report**

The *Advisory Committee on Veterans Business Affairs* established in accordance with Public Law 106-50, *The Veterans Entrepreneur Act of 1999*, completed and submitted its *Second Annual Report* to Congress, the President, SBA and other federal government policy makers on January 7, 2005.

The report highlights a year of research and work by committee members in identifying inhibitors to the promotion of opportunities for veterans to gain access to capital, to obtain the necessary technical assistance and services from federal and private sponsored business assistance staff and programs and to develop initiatives, policies, programs and plans designed to foster small business concerns owned and controlled by veterans. To obtain a copy of the *Second Annual Report* of the *Advisory Committee on Veterans Business Affairs*, call **202-205-6773**, or you may download a copy from our Website at [www.sba.gov/vets/reports](http://www.sba.gov/vets/reports).

### **SBA Programs & Services Community Workshops**

*3/9: North Shore Career Center of Lynn, 11:00 a.m. – 1:00 p.m. Contact Lisa Welch at 617-565-5588 to register.*

*3/16: Brockton Career Center, 2:00 – 3:30 p.m. Contact the center at 508-513-3400 to register.*

*3/17: Plymouth Career Center, 10:00 a.m. – 12:00 noon. Call career center at 508-732-5311 to register.*

*3/22: Quincy Career Center, 2:00 – 3:30 p.m. Contact the career center at 617-745-4000 to register.*

*3/24: Greater Lowell Chamber of Commerce – 10:00 – 11:30 a.m. Contact Lisa Welch at 617-565-5588 to register.*

### **Other Community Workshops – a seminar presented by SBA & The Salon at 10 Newbury**

*3/14: The Salon @ 10 Newbury Street, Boston, 10:00 a.m. – 2:00 p.m. Salon education and business information. Call 617-247-4900 to register.*

### **SBA Improves HUBZone Program**



The SBA is changing its Historically Underutilized Business (HUBZone) program to help small businesses create more jobs in economically distressed communities. Under recent legislation, a small business applying for HUBZone certification no longer needs to be owned and controlled exclusively by U.S. citizens. Now, the level of required ownership by U.S. citizens is 51 percent.

Another change permits a rural county to qualify for HUBZone status if its local unemployment rate is high relative to either the state's annualized unemployment rate or the national unemployment rate. Previously, the only comparison was permitted against the state level.

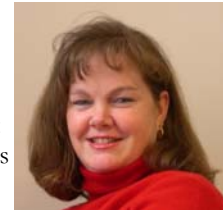
Finally, small businesses that either were terminated or are facing imminent termination from the HUBZone Program because the areas where the firms are located are no longer considered to be economically distressed will retain the ability to participate in the HUBZone Program until the results of the next census data collection, scheduled for 2010, is analyzed and released to the public.

The HUBZone program was created in 1997 and has more than 11,000 participants. The program provides certified firms an opportunity to compete for federal contracts and provides local employment in distressed communities. The program boasts an online application that allows small businesses to determine whether they are located in a HUBZone, apply for HUBZone certification and check on the status of an application at any time during the review process. For additional information on the changes to the HUBZone program, visit the Web site at [www.sba.gov/hubzone](http://www.sba.gov/hubzone) or **attend the workshop in Boston on 3/9/05.** (See sidebar on page 2 for details.)

### **Meet Kathleen Kinahan-Newell of the Massachusetts Export Center**



The Massachusetts Export Center, created in 1994, offers a wide range of targeted services to Massachusetts businesses at any stage in the export process. A part of the Massachusetts Small Business Development Center (MSBDC) Network, the Export Center offers one-on-one counseling to Massachusetts companies throughout the state interested in either expanding their international markets or diversifying from domestic sales into the global marketplace.



*Kathleen Kinahan-Newell*

Kathleen Kinahan-Newell worked with the Massachusetts Export Center during its creation and became a member of the MSBDC team in early 2003. Throughout her years at the Export Center, Kathleen has counseled more than 2,500 businesses. The hands on counseling offered by Kathleen may include determining product codes; market research; distributor searches; NAFTA eligibility; licensing determinations, specialized on-site client training; and more. Kathleen remains current on international trade-related topics as she is responsible for the *International Trade Reporter* e-newsletter, a role that involves in-depth research of relevant topics and timely information of interest to the international business community.

Kathleen prides herself on outreach in the international business community as she has worked with various chambers of commerce, business councils, associations and government agencies to provide the highest level of service and timely information to client companies and regularly takes the opportunity to speak at area colleges about doing business internationally. She has also been heavily involved in planning hundreds of training programs and recruiting high level speakers to educate seminar participants.

With over 10 years of international trade experience, Kathleen is highly regarded by Export Center clients as approachable and down to earth. She is enthusiastic about assisting the business community and is known for using her language skills to offer assistance in Spanish as well as translations in Italian, French and Portuguese. Prior to working with the Massachusetts Export Center, Kathleen worked in the commodities department of a healthcare products organization working with developing countries where she coordinated documentation and inventory for shipments to field offices throughout the world. She has experience living and working in Spain and Mexico and received a degree in Hispanic Studies from Saint Michael's College.

### Small Business Research Statistics Easier to Find

*Small Business research and statistics are now easier to find thanks to the Office of Advocacy's newly redesigned Web site. The site, [www.sba.gov/advo](http://www.sba.gov/advo), offers intuitive, easy-to-use menus and search features that guide users to a wealth of data, reports and statistics on small business and the American economy.*

### Massachusetts Resource Guide available online at [www.sbaguides.com](http://www.sbaguides.com)

*Chose Massachusetts in the "Choose a District" drop down menu to obtain the guide.*

### Link for lenders

*[www.sba.gov/banking](http://www.sba.gov/banking) - a one-stop site which includes information on SBA loan programs, policy notices, standard operating procedures and more.*

## Certified Development Company (504) Loan Program SBA's 504 Loans – A Good Deal For Your Business & Your Community

One hundred and fifty-one small businesses in Massachusetts took advantage of SBA's 504/Certified Development Company loan program in 2004. These companies purchased land and constructed new buildings, purchased and/or renovated existing buildings, or acquired and installed machinery totaling \$72 million – and most soft costs were included.

Projects are limited only by the imagination and ingenuity of enterprising small business owners. The SBA 504 loan can be used for a wide range of projects: from the professional who would like to own his own building, to the franchisee who decides to add an operation, to the small business owner who wants to build a new retail operation, or the manufacturer who installs new equipment, an SBA 504 loan can help provide the financing.

Typically a 504 project includes a loan secured with a senior lien from a private sector lender covering up to 50% of the project cost, a fixed rate SBA 504 loan covering up to 40% of the cost and a contribution of at least 10% from the small business. SBA 504 loans to manufacturers can go up to \$4 million, while loans to other types of businesses can go up to \$1.5 million.

For any additional information about the **SBA 504 Loan Program**, contact the SBA at 617-565-5590 or go to: <http://www.sba.gov/ma/macdc.html> for a listing of Certified Development Companies in Massachusetts.

### 20-Year Effective 504 Rates\* for the Past Six Months

Aug. 2004	Sept. 2004	Oct. 2004	Nov. 2004	Dec. 2005	Jan. 2005
7.06	7.04	6.86	6.75	6.74	6.73

\*Includes all fees

### SBA 504 Loans from 10/1/04 – 1/31/05

	LENDER NAME	GROSS AMOUNT	LOANS
	BAY COLONY DEVELOPMENT CORPORATION	\$6,122,000.00	16
	NEW ENGLAND CERTIFIED DEVELOPMENT CORPORATION	\$8,059,000.00	10
	SOUTH EASTERN ECONOMIC DEVELOPMENT CORPORATION	\$4,106,000.00	9
	SOUTH SHORE ECONOMIC DEVELOPMENT CORPORATION	\$2,857,000.00	4
	WORCESTER BUSINESS DEVELOPMENT CORPORATION	\$1,873,000.00	4
	GRANITE STATE ECONOMIC DEVELOPMENT CORPORATION	\$1,849,000.00	3
	OCEAN STATE BUSINESS DEVELOPMENT AUTHORITY	\$383,000.00	1
	<b>TOTAL:</b>	<b>\$25,249,000.00</b>	<b>47</b>

### Top Third Party Lenders – SBA 504 Loans – 10/1/04 – 1/31/05

	THIRD PARTY LENDER	GROSS AMOUNT	LOANS
	SOVEREIGN BANK	\$3,042,500	5
	COMMUNITY BANK	\$1,260,250	4
	BANKNORTH, NATIONAL ASSOCIATION	\$1,320,000.00	3
	ENTERPRISE BANK & TRUST	\$1,241,000	3





## Save the Date

The Massachusetts SBA will hold its *Celebrate Success* awards luncheon on Friday, June 10, 2005 at The Beechwood Hotel in Worcester. Small Business Week 2005 award winners will be recognized at this event.

## Local Pet Store Serves Up Healthy Eats with a Side Of Neighborhood Charm, by Kate Hoagland, Center for Women & Enterprise

Cambridge-based Animal Spirit, founded in 1999 by Melissa Warren and her partner, Susan Southwick, provides a range of products and services to keep your canine and feline friends healthy and happy. The store is home to a luxurious cat spa complete with hydro-surge warm baths, grooming, fur coat enzymatic treatments, and fluff drying, all done with the comfort of classical music. Shelves are stocked with organic pet food donning enticing names like "Campfire Trout Feast," and "Grammy's Pot Pie." For meat eaters, freeze-dried lamb, venison, and steaks are piled next to mint and peanut butter doggy ice cream in the store freezer.



Melissa Warren & Maude

Laid off from her dog grooming position in the winter of 1999, Warren attributes the auspicious conversation with an unemployment agent as the inspiration for her new career. Surprisingly, the agent urged her to start her own business instead of working for other dog groomers. Warren turned to the Center for Women & Enterprise, SBA's official women's business center in Massachusetts, for assistance. She enrolled in *Business Planning: First Step*, a 14-week course for aspiring entrepreneurs. This crash course in business planning taught Warren how to write a business plan and develop the business and marketing strategies that have made Animal Spirit the success it is today.

"Being in such a positive environment with like-minded women made me blossom and I quickly lost my inhibitions and fear of failure," recalls Warren. She and Southwick celebrated the grand opening of Animal Spirit at the conclusion of the class, a mere three months later.

Six years later, the store is a local watering hole for nearly 2,000 pet lovers. Profits from the increased number of two-legged and four-legged customers as well as a \$10,000 SBA-backed line of credit, paid for Animal Spirit's recent move to a bigger, better location. The store now offers delivery service in the local area. In addition to delivery, Warren and Southwick constantly keep their business strategies fresh and innovative, bringing in the latest product-lines and delectables.

As Animal Spirit continues to expand, the Center for Women & Enterprise will continue to help them achieve their next successes. "Looking towards the future, it is nice to know CWE will be there with support and resources," says Warren. With classes like *Minding Your Own Business*, *Business Planning: Next Stage* as well as a team of talented business consultants, Warren and Southwick are well-supported by the CWE family. ***Animal Spirit is located at 2348 Massachusetts Avenue, Cambridge, MA 02140. To contact the store, call 617-876-9696 or [www.animal-spirit.com](http://www.animal-spirit.com).***

## SCORE CEO Yancey Highlights Massachusetts District Meeting

**SCORE<sup>®</sup>**  
Counselors to America's Small Business

Leadership of SCORE's Massachusetts district held their annual meeting on February 7-8 at the Royal Plaza and Convention Center in Marlborough. W. Kenneth Yancey, Jr., SCORE's Chief Executive Officer, was the principal speaker and reviewed recent Board actions associated with SCORE's strategic plan.

SCORE's District Director, Niels Fischer, devoted his keynote to the elements of each chapter's business plan: quality of service, diversity of clients and counselors, and financial management. Each chair and other SCORE leaders then contributed examples of their practices to best meet these goals. Shirley Young, president of Global Advanced Technology, Inc., spoke about the invaluable and ongoing guidance provided by Boston SCORE counselor Fred Larson who helped her reposition GATI.



Left to right: Yancey, Young, Fischer

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## 7(a) Loan Guaranty Program

Most SBA-backed loans are provided under the umbrella of the 7(a) Loan Guaranty program. All 7(a) loans are provided by lenders, who are called participants because they participate with SBA in the 7(a) program. Loans are available for most business purposes. Under the guaranty concept, commercial lenders make and administer the loans. **The business applies to a lender for their financing.** The lender decides if they will make the loan internally or if the application has some weaknesses which, in their opinion, will require an SBA guaranty if the loan is to be made.

## Top SBA 7(a) Lenders 10/1/04 – 1/31/05

	LENDER NAME	GROSS AMOUNT	LOANS
1	CITIZENS BANK	\$15,926,100.00	378
2	BANK OF AMERICA, NATIONAL ASSOCIATION	\$4,630,500.00	136
3	CAPITAL ONE FEDERAL SAVINGS BANK	\$2,240,000.00	58
4	SOVEREIGN BANK	\$3,102,400.00	54
5	BANKNORTH, NATIONAL ASSOCIATION	\$7,340,000.00	43
6	BANK OF WESTERN MASSACHUSETTS	\$2,227,900.00	22
7	DANVERS SAVINGS BANK	\$3,059,500.00	18
8	FALL RIVER FIVE CENTS SAVINGS BANK	\$1,425,500.00	17
9	HERITAGE COOPERATIVE BANK	\$2,980,000.00	14
10	EASTERN BANK	\$946,700.00	12
11	SOUTH SHORE SAVINGS BANK	\$992,000.00	12
12	CIT SMALL BUSINESS LENDING CORP	\$7,252,000.00	10
13	ENTERPRISE BANK AND TRUST COMPANY	\$1,547,920.00	10
14	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$435,000.00	10
15	FLAGSHIP BANK AND TRUST COMPANY	\$1,632,200.00	9
16	CHARTER ONE BANK, NATIONAL ASSOCIATION	\$640,000.00	8
17	CHICOPEE SAVINGS BANK	\$627,800.00	8
18	FLORENCE SAVINGS BANK	\$416,500.00	8
19	GREYLOCK FCU	\$369,300.00	8
20	UPS CAPITAL BUSINESS CREDIT	\$4,995,000.00	7

For complete lender ranking list go to: <http://www.sba.gov/ma/loanvolume05.html>



## Call for SBA Expo 2005 Speakers

Since the first national Small Business Week celebration, the SBA has prided itself on presenting attendees with outstanding speakers dedicated to the development and growth of small businesses and entrepreneurship nationwide. To continue the legacy this year, the SBA is looking for exceptional and dynamic speakers to present at our award winner banquets, evening receptions and in various training seminars at SBA Expo '05 in Washington, D.C. from April 26 – 28, 2005. If you are interested in speaking or know someone who would make an substantial addition to the conference please complete and submit our online speaker proposal form at <http://www.sba.gov/expo/expo05.html#Speakers>